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## ARIZONA CORPORATION COMMISSION

June 5, 2001

To: Arizona State-Licensed Investment Adviser Firms

The Securities Division of the Arizona Corporation Commission is providing you with information on two topics of importance to state-licensed investment advisers. The first one relates to the new IARD electronic filing system and the other relates to the Federal Trade Commission's rules protecting an individual's confidential information. This correspondence should not be considered legal advice, nor should it substitute for a consultation with your legal adviser. It should, however, help you fulfill your obligations in connection with these matters.

### Mandatory Filing via the Investment Adviser Registration Depository (IARD)

Pursuant to new Arizona legislation, Senate Bill 1044, your firm's Form ADV-Part 1, amendments, Form ADV-W, and firm licensing fees must be made electronically through the new IARD system beginning August 9, 2001. (Forms and fees relating to IA Representatives are not affected by this change at this time.) You may file your firm's initial electronic ADV-Part 1 at anytime after your firm has transitioned onto the IARD system, but your electronic filing should be complete no later than October 15, 2001. To be eligible to make electronic filings, your firm must first become "entitled" to use the IARD system. Please refer to the enclosed information which will provide you with details on the entitlement process along with the forms you need to complete in order to become entitled to use the IARD system.

### Privacy Policy and Notification (FTC Rules)

Federal agency rules require state-licensed IA firms to adopt written policies regarding their clients' confidential information. You must notify your clients of your privacy policy as well as their right to have their nonpublic personal information ("NPI") protected from unwanted dissemination by July 1, 2001, and give them the ability to "opt out" -- or limit -- your sharing of certain NPI. Please refer to the enclosed materials for more detail on the requirements involved.

We have enclosed a substantial amount of information for your review. After reading these materials thoroughly, if you still have questions, or if we can be of further assistance to you, we encourage you to contact one of the following individuals at the Division:

Richard Unangst (602) 542-0323 or Linda Madryk (602) 542-0615

Sincerely,

Matthew J. Neubert  
Director, Registration & Compliance